

(Translation)

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To whom it may concern

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Notice of Revision of the Forecast of Financial Results for the Fiscal Year Ended December 31, 2019

In consideration of recent trends in business performance, Ebara Corporation (“the Company”) has revised its financial results forecast for the fiscal year ended December 31, 2019 released on November 13, 2019 as follows.

Revisions to the Forecast of Financial Results

Revisions to the forecast of consolidated financial results for the fiscal year ended December 31, 2019 (January 1, 2019 to December 31, 2019)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Net Income per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast: A	510,000	29,500	28,500	17,000	175.17
Revised Forecast: B	522,000	35,000	35,500	23,000	238.18
Change (B-A)	12,000	5,500	7,000	6,000	—
Change Ratio (%)	2.4%	18.6%	24.6%	35.3%	—
(Reference) Results for the fiscal year ended December 31, 2018	509,175	32,482	31,281	18,262	179.94

Reasons for the Revision

Net sales exceeded expectations in all business segments, and as a result the forecast has been revised to ¥522,000 million (an increase of ¥12,000 million from the previous announcement of ¥510,000 million).

Operating income exceeded expectations in all business segments, and as a result the forecast has been revised to ¥35,000 million (an increase of ¥5,500 million from the previous announcement of ¥29,500 million).

The revised forecast for ordinary income is ¥35,500 million (an increase of ¥7,000 million from the previous announcement of ¥28,500 million). This is attributed to an increase in operating income, the impact of foreign currency exchange gains and losses and equity in earnings of affiliates and other factors.

The revised forecast for profit attributable to owners of parent is ¥23,000 million (an increase of ¥6,000 million from the previous announcement of ¥17,000 million). This is attributed to an increase in ordinary income and other factors.

(Reference) Forecast by Business Segment

Millions of yen

		Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Others	Total
Sales	Previous Forecast: A	321,000	67,000	120,000	2,000	510,000
	Revised Forecast: B	323,000	69,500	128,000	1,500	522,000
	Change (B-A)	2,000	2,500	8,000	(500)	12,000
	Change Ratio (%)	0.6%	3.7%	6.7%	(25.0)%	2.4%
Segment Income	Previous Forecast: A	15,500	6,000	8,000	0	29,500
	Revised Forecast: B	17,000	7,500	10,000	500	35,000
	Change (B-A)	1,500	1,500	2,000	500	5,500
	Change Ratio (%)	9.7%	25.0%	25.0%	—	18.6%

(Fluid Machinery & Systems)

The forecast for net sales has been revised to ¥323,000 million (an increase of ¥2,000 million from the previous announcement of ¥321,000 million). Segment income has been revised to ¥17,000 million (an increase of ¥1,500 million from the previous announcement of ¥15,500 million). This revision is attributed to an improvement in profitability in the pump business resulting from a change in products accounting for the sales, and a growth in the service and support field of the compressor & turbine business.

(Environmental Plants)

The forecast of net sales has been revised to ¥69,500 million (an increase of ¥2,500 million from the previous announcement of ¥67,000 million). Segment income has been revised to ¥7,500 million (an increase of ¥1,500 million from the previous announcement of ¥6,000 million). This revision is mainly attributed to a growth in the O&M (operation and maintenance for plants) business and successful cost reduction measures at an early stage.

(Precision Machinery)

The forecast of net sales has been revised to ¥128,000 million (an increase of ¥8,000 million from the previous announcement of ¥120,000 million). Segment income has been revised to ¥10,000 million (an increase of ¥2,000 million from the previous announcement of ¥8,000 million). The main reason for this revision is that sales were concentrated in the CMP system business.

Please note that there are no revisions to the forecast of year-end dividends for the fiscal year ended December 31, 2019 (30.00 yen per share) announced on November 13, 2019.

(Note)

The forecast of performance contained in this report are based on information that was available to the Company as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the future performance. Actual performance may differ owing to a wide range of factors.

End of News Release